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BEFORE

MILITARY PERSONNEL SUBCOMMITTEE

HOUSE ARMED SERVICES COMMITTEE

THE HOUSE OF REPRESENTATIVES

FIRST SESSION, 111<sup>TH</sup> CONGRESS

MARCH 03, 2009

NOT FOR PUBLICATION

UNTIL RELEASED BY

THE HOUSE ARMED SERVICES COMMITTEE

### Introduction:

Chairwoman Davis, Distinguished Members of this Committee, thank you for the opportunity to appear before you on behalf of America's Army. We have no greater heroes than America's most precious resource – our Soldiers. These Soldiers, their Families, Wounded Warriors, and Survivors backed by our Civilian Workforce, represent the very best of America's values and ideals. Your continued support of our personnel initiatives provides the tools to ensure the growth and well-being of our All-Volunteer Force. This fighting force of 1.1 million Soldiers is being tested at home and abroad. Repeatedly our Nation's young men and women have stepped forward and made a pledge to serve. They recognize the challenges facing our nation, heed the call and become part of something larger than themselves. Their dedicated service and sacrifice are deserving of the very best services, programs, equipment, training, benefits, life-style, and leadership available. Our focus this year centers on the growth of the force, our ability to meet the national challenges, and the importance of maintaining this strength to meet the demands.

### Grow and Sustain the All-Volunteer Force:

The Army's number one priority is restoring balance to the All-Volunteer Force. To achieve balance, we must grow and sustain the All-Volunteer Force to quickly adapt and respond to threats and requirements. From the decision to accelerate the growth of the Army, our progress has been noteworthy. In fact, the Active Component will meet its 547,400 growth target for FY10 this year. By the end of FY10, the National Guard and the Army Reserve will be at 358,200 and 205,000 respectively.

To balance the force by the end of FY11, the Army is working to achieve goal of a boots on the ground policy of two years dwell time for each year deployed for the Active Component, and five years dwell for each year deployed for the Army Reserve and National Guard as outlined in the Secretary of Defense's 19 January 2007 memo, "Utilization of the Total Force". Furthermore, the boots on the ground policy should be implemented without resort to stop loss. We are challenged to achieve such a policy because of the cumulative effects upon our Army from this protracted conflict. These

are the manning challenges; a cost of this war. We must increase time spent at home station between deployments. This will improve our force management policies, enhance Force stabilization, and increase predictability in the lives of our Soldiers and their Families. We must also ensure the well-being of Wounded Warriors and Survivors of this war. Our Nation is indebted. Affording their financial and emotional well-being is also a cost of this war. Again, due to the stresses on the force combined with force structure and end strength limitations and given the persistence of our adversaries, the Army will be challenged to achieve this imperative.

We strive to be the employer of choice, especially among millennials (individuals born between 1978 and 2000). To attract millennials, we have shaped our recruiting efforts through a mix of innovation, incentives and bonuses. Using both technological (internet, text messaging, etc.) and traditional (TV, print, word-of-mouth) mediums, we demonstrate to this generation that there is no other organization in America better than the Army when it comes to developing leaders and setting them on the path to success. We must also demonstrate that they can create a life within the Army. That means the opportunity must be afforded for Soldiers to socialize, date, marry, have children, plan for retirement, and prosper. In order to retain Soldiers as part of the Army Family, they must be assured their Families will prosper in the Army community and, should the worst happen, will be provided the full delivery of the benefits, entitlements and care they have earned through their service and sacrifice. The Army has recently established Survivor Outreach Services to ensure the best services are provided to Surviving Families.

#### National Challenges to Recruiting the Force:

America is recruiting and retaining its military during a period of protracted combat. With the help of Congress and the support of the American people, the Army accomplished its recruiting and retention milestones over the past several years. However, growing and sustaining the All-Volunteer Force is not without challenges.

The Army faces a national level crisis concerning the eligible population for wartime recruiting. Fewer than three out of ten of America's youth are fully qualified to serve in our Nation's military due to medical issues, misconduct violations, or aptitude disqualifications. Today, up to 18% of the nation's 12-19 year olds are overweight. This number has tripled since the 1980's. Currently the nation's high school graduation rate is only 74%; for minorities, the graduation rate falls to 57%, and for youth living at or below the poverty level, the rate drops to just 39%. These numbers have improved slightly since last year, however, they still demonstrate the significant challenge that our nation's 17-24 year old population presents to the Army's ability to recruit quality Soldiers. Although we are successful this year, our eligible pool for the future force is shrinking.

To ensure that military service remains an attractive career option, the Army continues to modify and update its recruiting efforts. The Army launched the Army Advantage Fund (AAF) Pilot on 4 February 2008 as an incentive for potential candidates who, after completing their initial period of enlistment, can receive money for a down payment on a home or money to start a small business. The AAF was implemented in 5 Recruiting Battalions: Albany, Cleveland, Montgomery, San Antonio, and Seattle. It is currently available to high quality traditional High School and Home School Graduates and High School Seniors who have no prior service and enlist in either the Active or Reserve Army. The purpose of the AAF Pilot Program is to gain a competitive advantage for attracting eligible individuals who would have otherwise not considered joining the Army. AAF has been effective in increasing quality enlistments into the Army and into hard to fill occupational specialties. The total number of AAF contracts written during Fiscal Year 2008 was 416, with \$14.3 million obligated. Plans for national implementation of the AAF program are on hold due to current end strength and budget constraints. This pilot will expire on 31 December 2009.

Another program that was implemented in FY08 to assist with improving the quality of our recruits was the Army Preparatory School (APS). The Army Prep School is a four week course dedicated to helping young men and women complete a General Educational Development, or GED certificate, before they begin Basic Combat Training

(BCT). This program is restricted to applicants who have scored in the top fifty percentile on the Armed Services Vocational Aptitude Battery (ASVAB) test and for reasons beyond their control, such as working to support their families. The Soldiers attend classes throughout the training day in order to prepare for the GED test. Upon earning a GED certificate, soldiers immediately begin BCT. Once fully operational, APS will in-process 60 new Soldiers every week. Based on the results of a similar program implemented by the National Guard which experienced a success rate of over 95% this past fiscal year, the active Army expects 85-90% of the Soldiers recruited for the APS to earn a GED within four weeks. It is expected that the Army Prep School will yield nearly 3,000 Soldiers with enhanced credentials each year. The cost of educating these individuals is limited to the initial four week course, and for the many soldiers expected to test out early, the cost will be even less. Recruiting from a broader base of individuals at a relatively low cost benefits the individual, the Army, and society as a whole. This pilot program will also expire on 31 December.

#### Recruiting and Retention (Officer and Enlisted):

Despite the challenges of protracted conflict, the Army once again exceeded its enlisted recruiting and retention missions for FY08. All Army Components achieved their recruiting objectives for the first time since FY02. This continued success is directly attributable to the talented men and women in the Army who provide boots on the ground around the world. It is important to note that their success would not be possible without great leadership, the backing of their Families, and the tremendous support provided by Congress.

Regarding recruit quality, the Army's percentage of new Soldiers recruited with a Tier 1 education – those who have at least a high school diploma, scored in the top half of their Armed Forces Qualification Test (AFQT) and considered “high quality” – increased by 2.1% in 2008. Additionally Recruits who scored highly (50-99%) on the Armed Forces Qualification Test (AFQT) increased 1.6%; and recruits who scored poorly (30% and below) on the AFQT decreased 1.2%.

The Active Army retained 73,913 Soldiers in fiscal year 2008, finishing the year at 114% of the mission objective. The Army Reserve finished the year achieving 111% of its retention mission, and the Army National Guard finished at 93% of its retention mission.

To achieve overall manpower levels in FY09, the active Army must retain 65,500 Soldiers, the Army Reserve must retain 11,619 Soldiers, and the Army National Guard must retain 34,593 Soldiers. The Army is on track to meet its retention mission for FY09. As of January 2009, the Active Army has achieved 161% of its year-to-date mission, the Army Reserve has achieved 127% of its year-to-date mission, and the Army National Guard has achieved 100% of its year-to-date mission. A robust bonus program has been essential in enabling the Army to meet required retention goals.

Retention of combat experienced veterans is imperative to future readiness. The Army makes careful and deliberate adjustments to retention bonuses to ensure the retention of qualified Soldiers. An example of this is the deployed reenlistment bonus that targets Soldiers assigned to units in Iraq, Afghanistan, and Kuwait. Recently deployed units, or units currently deployed to these areas of operations, have reenlistment rates of 140% of their annual goals. Currently, 53% of all reenlistments occur in the deployed theater.

The officer shortage in the Army remains a critical requirement we must continue to remedy. To recruit, retain, and manage critical skills, the Army initiated in September 2007 the Captain Retention Incentives Menu offered through November 2008 to increase the retention of lieutenants and captains. The Captains' Retention Incentives Menu included three options: a cash option based on the officer's accessed branch in exchange for a three year non-concurrent active duty service obligation, the Expanded Graduate School Program which funds graduate school, or the year-long Defense Language Institute with both of the latter producing a 3:1 active duty service obligation. The timing of our Captains' Retention Incentives Menu program, concurrent with the



dramatic downturn of the economy and job market, has served to support our retention goals.

The Army also initiated the Critical Language Incentive Pay Program (CLIP) as part of the Officer Accession Pilot Program in August 2008. The Army is using the Officer Accession Pilot Program as one of the 2006 NDAA Pilot authorities. These Pilot Programs will all expire on 31 December 2009. To date, 75 cadets are participating in this program, which is limited to newly contracted cadets. The 2009 NDAA granted the authority for the services to expand the language proficiency program. Army is currently awaiting implementing guidance from OSD to begin their program. This opens eligibility to all cadets, not just the newly contracted. The US Army Cadet Command reports growing interest among cadets in learning critical languages and expects significant growth in the number of cadets participating in the program.

The single most effective retention incentive for junior officers is the cash bonus. Over 94% of the 15,000 plus officers who took incentives in FY08 elected to take the cash bonus. Analysis shows that officers who were uncertain about staying in took the incentive and committed to further obligated Army service. Cash incentives effectively compensate officers for the sacrifices encountered with protracted and repeated deployments to the theaters of conflict.

Equally important to financial incentives in effective retention is the assurance that Soldiers and Families will be cared for in a manner commensurate with their service and sacrifice. That includes compensation. In the event of a life changing injury or the loss of life, our Soldiers must be assured that their families will receive financial and programmatic benefits commensurate with their service and sacrifice. That includes full-earned benefits and disability compensation and a streamlined manner for accessing them.

The Army has implemented many programs to improve critical skill shortfalls among Officers and Enlisted Soldiers. Among these programs for Enlisted Soldiers are

the Selective Reenlistment Bonus (SRB) and Critical Skills Retention Bonus (CSRB) to retain Soldiers in high demand, low density positions. The SRB and CSRB are very effective tools for precision fill of critical skills. Another program introduced to train and keep critical skills is the Military Occupational Specialty (MOS) 09L program. The MOS 09L is an Interpreter/Translator Pilot Program used to recruit individuals possessing critical language capabilities needed for the Global War on Terrorism. To date, the Army has recruited more than 1,400 Soldiers as Military Interpreters and Translators.

In accordance with current law, the Army has utilized this authority in the past and is intent on expanding its use to meet the Officer Corps' critical needs. This program will target technical areas where the Army has shortages by leveraging skills that are already available in the civilian population.

#### Civilian Personnel:

Recruiting and retention within the Army does not include just Soldiers. Civilian Personnel are the backbone of our fighting force and our recruiting and retention efforts must include this segment of our population. Only through the integrated efforts of Army Civilians and Soldiers can the Army accomplish its assigned missions and make the most effective use of resources. The Army Civilian Workforce offers vital support to our Soldiers and Families in this era of persistent conflict. Army Civilians share responsibility for mission accomplishment by delivering combat support and combat service support - at home, abroad, and on the battlefield. More than ever, Army Civilians are an invaluable component of readiness. Currently, the Army's Civilian Corps is over 275,000 strong, over 4,000 of whom are serving in harm's way in the U.S. Central Command Area of Operations. The Civilian Corps is the largest employer in the Federal Government. These civilians are critical to support our Force and we are committed to ensuring they are taken care of in the same manner as our Soldiers and their Families.

The Army Civilian Corps will play an important role in supporting the civilian expeditionary workforce. The intent of the program is to maximize the use of volunteers



from the civilian workforce throughout DoD, so that military personnel may be used for operational requirements. Employees in designated positions will be trained, equipped and prepared to serve overseas in support of humanitarian, reconstruction and, if necessary, combat-support missions.

To take full advantage of our civilian workforce's potential, the Army is developing a comprehensive civilian competency management system (CMS). The CMS will establish competency-based career paths and guides for use by supervisors and employees in determining training and developmental needs for career planning. The CMS's capability to strategically plan civilian development against validated current and future competencies requirements and across functions has made great improvement.

Our Army is recognized as a global leader in developing commissioned and noncommissioned officers. Our work in developing civilian leaders has not progressed at the same pace. The Army Civilian University (ACU) was created to establish a common military and civilian culture as a vehicle to improve integration. ACU will enable the Training and Doctrine Command (TRADOC) to establish integrated and complementary curricula and a more standardized, competency based approach to civilian functional training, education and leader development. The ACU will prepare DA Civilians for new demands and fully engage the Army in meeting the objectives of the Department of Defense Civilian Human Capital Strategic Plan. One of the ACU's major responsibilities is providing training oversight that ensures all civilian training not only produce skills for local missions but also develops the skills needed to support the Army at all levels.

Retaining a highly qualified Civilian workforce is a critical issue for the Army. A workplace environment that is conducive to productivity and supportive of employee development is a characteristic of high-performing organizations. Army policies that encourage and resource competitive professional training as well as academic degree

education are major factors in creating such a favorable workplace environment that bolsters retention.

The Defense Base Closure and Realignment Commission (BRAC) process has impacted the Civilian workforce assigned to bases slated for closure or realignment. The Army has multiple programs in place to deal with the hardships our civilians are facing. One such incentive offers assignment to a position at a new location with full Permanent Change of Station costs.

Employees electing not to relocate may be offered a Voluntary Early Retirement or a Voluntary Separation Incentive Payment. Also, through Department of Labor funds, the Army provide retraining and readjustment assistance for displaced Federal employees. Other outplacement programs such as the Priority Placement Program, the Re-employment Priority List, the Interagency Career Transition Assistance Program, and job exchange are also available to displaced employees.

We recognize that inherently governmental and closely associated enduring requirements should be performed by Government employees to assure that the public interest is protected and that Army core competencies are maintained. The civilian workforce also provides us with an opportunity to save vital resources by bringing relatively expensive contracted services back into the Government through the In-sourcing process that Congress has asked us to undertake. The initial results of our efforts have been promising in this regard, saving an average of \$48K per position in-sourced, thus far (1383 positions in-sourced to date).

#### Caring for Soldiers and Families:

We greatly appreciate our Soldiers, Civilians, their Families, Wounded Warriors, and Survivors and recognize their critical contributions to our All-Volunteer Force. Our recruiting and retention efforts are directly impacted by our ability to promote and maintain a high quality service experience. Overall standards of living, to include health, career, community life, and personal and family life, affect the well being of our

Force. A strong sense of well-being across these life domains enables our Soldiers, Civilians, their Families, Wounded Warriors, and Survivors to focus on performing and supporting the Army's mission while maintaining a high quality work-life balance.

To maintain a high standard of living, the Army is caring for Soldiers and Families through several initiatives. These initiatives include the Army Soldier Family Action Plan, the Army Family Covenant, as well as the transferability of portions of GI Bill benefits to family members. We care for Wounded Warriors through the Wounded Warrior Program (AW2) and Warrior Transition Units (WTUs) and for Survivors through Survivor Outreach Services (SOS). Congressional support and leadership has been critical in these areas. With your continued support, we will further improve our programs; ensure full delivery of benefits and entitlements and execute meaningful, effective programs that will benefit the entire Army community. Funding requirements must reflect support for our Soldiers and Families. Funding requirements must also reflect support for our Wounded Warriors and Families who now live their lives impaired due to their physical and mental injuries. We must support Family members who leave their jobs to care for their Wounded Warriors. When Soldiers are lost due to injury, severe injury or death, we must support their Survivors.

#### Setting Conditions for the Future: Meeting the Personnel needs of our Army:

Providing Forces to combatant commanders to meet current and future challenges will continue to be priority number one. The agile Army Human Capital Strategy (AHCS) addresses these challenges by creating a road map to restore balance to the Force by FY11 and by continuing to develop force structure through 2024. The objective of the AHCS is to secure and sustain the All-Volunteer Total Army, resourced through efficient and cost-conscious practices. The AHCS strategy is based on principles that assure a higher quality, more diverse and ready Total Army enabled by effective HR Systems and agile policies and programs. The AHCS is a model for making strategic decisions about the people-needs of the All-Volunteer Total Army for the 21<sup>st</sup> century. This strategy assumes that people make the difference – the Army must not focus solely on numbers of people but also on the qualities, competencies,

and diversity people provide to the Army. To retain quality, competencies, and diversities, we must demonstrate a dedication for their well-being on and off the battlefield.

Conclusion:

A balanced Force is absolutely dependent upon your tremendous support. The Army is growing and transforming in a period of prolonged war. We will do so with young men and women of the highest caliber whose willingness to serve, even in a time of protracted conflict, is a credit to this great nation. We will meet the challenges ahead with your continued leadership and support for the Army.